



Department of Justice

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WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION AGREES TO PAY \$300,000 PENALTY TO RESOLVE FOREIGN BRIBERY VIOLATIONS IN INDIA

WASHINGTON – The Department of Justice has entered into an agreement with Westinghouse Air Brake Technologies Corporation (Wabtec) regarding improper payments to government officials in India in violation of the Foreign Corrupt Practices Act (FCPA), Assistant Attorney General Alice S. Fisher of the Criminal Division announced today. The agreement requires that Wabtec pay a \$300,000 penalty, implement rigorous internal controls, and cooperate fully with the Department. The agreement acknowledges Wabtec's voluntary disclosure and thorough self-investigation of the underlying conduct, the full cooperation provided by the company to the Department, and the remedial efforts undertaken by the company.

Wabtec, a Delaware corporation, is headquartered in Wilmerding, Pa., and is listed on the New York Stock Exchange. The company manufactures brake subsystems and related products for locomotives, freight cars, and passenger transit vehicles, among other things. One of Wabtec's subsidiaries, Pioneer Friction Limited (Pioneer), is based in Calcutta, India, and manufactures low and high friction brake blocks for rail operations in India.

As described in the agreement with the Department, Wabtec has acknowledged responsibility for the actions of Pioneer and its employees and agents who made various payments to officials of the Indian Railway Board (IRB), a government agency which is part of India's Ministry of Railroads. These payments were made in order to: assist Pioneer in obtaining and retaining business with the IRB; schedule pre-shipping product inspections; obtain issuance of product delivery certificates; and curb what Pioneer considered to be excessive tax audits.

Upon discovering these payments, Wabtec conducted an investigation through outside counsel, voluntarily disclosed its findings to the Department, cooperated fully with the Department, and instituted remedial compliance measures.

As a result of these mitigating factors, the Department has agreed not to prosecute Wabtec or Pioneer for the making of improper payments, provided that Wabtec satisfies its obligations under the agreement for a period of three years. Those obligations include ongoing cooperation, payment of the \$300,000 penalty and further remedial steps, including the adoption of rigorous internal controls.

In a related matter, Wabtec reached a settlement today with the Securities and Exchange Commission (SEC) under which it consented to the filing of a complaint and agreed to pay approximately \$288,000 in disgorgement of profits, including pre-judgment interest, and approximately \$89,000 in civil penalties, in connection with business obtained by Pioneer in exchange for unlawful payments to officials of the IRB.

This case is being prosecuted by Assistant Chief William B. Jacobson of the U.S. Department of Justice, Criminal Division, Fraud Section. Significant assistance was provided by the Enforcement Division of the SEC.

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